

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0729-05
Bill No.: HCS for HB 742
Subject: Education, Elementary and Secondary
Type: Original
Date: April 13, 2015

Bill Summary: This proposal modifies provisions relating to work groups established by the state board of education.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	(\$88,740)	\$0	\$0
Total Estimated Net Effect on General Revenue	(\$88,740)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Elementary and Secondary Education (DESE)** assumed this proposal appears to establish funding for the requirements of HB 1490 which went into effect on 28 August 2014. The work groups established in HB 1490 have incurred costs totaling \$749,740 to date. This proposal details the number of meetings and the specific costs to be covered from July through October 2015 to carry out the requirements of this proposal.

DESE notes there are 8 workgroups. DESE estimated the costs per person is \$150 a day for a substitute teacher, \$100 a day per hotel room, \$30 a day for meals and \$.37 per mile for travel (assuming 250 miles per person). DESE estimates the cost per meeting is \$44,370. DESE estimated each group would meet once monthly in July, August and September 2015. Additionally the groups would have a one day whole group meeting in July and September 2015, for a total of 5 meetings. DESE estimated the cost of the five meetings as \$221,850.

Oversight notes this proposal requires the work group members to be reimbursed for travel expenses; including overnight accommodations, meals and mileage by DESE. Additionally, DESE is required to reimburse school districts for the costs of substitute teachers when a work group member has meetings. Oversight notes this proposal requires the work groups to meet and to file their performance standards with the State Board of Education by October 1, 2015. Oversight notes this proposal would become effective August 28, 2015. Therefore, Oversight assumes there would only be one month of meetings that may need to be reimbursed. Oversight will show the cost of the September individual meetings and the September group meeting. Oversight will show the impact as \$88,740 (\$44,370 x 2).

Officials at the **Office of the Governor** and the **Office of the Lt. Governor** each assume there is no fiscal impact to their respective organizations from this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
GENERAL REVENUE			
<u>Cost - DESE - reimbursement of work group member's travel expenses</u>	<u>(\$88,740)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$88,740)</u>	<u>\$0</u>	<u>\$0</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2016 (10 Mo.)	 FY 2017	 FY 2018
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

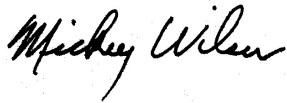
This legislation states that work group members must be reimbursed by the department for travel expenses, including overnight accommodations, meals, and mileage reimbursement using the state per-diem formula and the department must reimburse school districts for the cost of a substitute teacher and a teacher's daily pay when a work group member is required to miss a school day to attend a work group meeting.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

L.R. No. 0729-05
Bill No. HCS for HB 742
Page 5 of 5
April 13, 2015

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Office of the Governor
Office of the Lt. Governor

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
April 13, 2015

Ross Strobe
Assistant Director
April 13, 2015